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October 17, 1996

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OCT 1 8 1996

Mr. William F. Caton Acting Secretary Federal Communications Commission 1919 M Street, N.W., Room 222 Washington, D.C. 20554 Federal Communications Commission
Office of Secretary

Re: Ex Parte Presentation - PCS Development Corporation in the Matter of Implementation of Section 309(j) of the Communications Act - Competitive Bidding Narrowband PCS (PP Docket No. 93-253) and Amendment of the Commission's Rules to Establish New Narrowband Personal Communications Services (GEN Docket No. 90-314; ET Docket No. 92-100)

Dear Mr. Caton:

RUSSELL D. LUKAS

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THOMAS GUTIERREZ

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+ NOT ADMITTED IN D.C.

J. JUSTIN McCLURE+

Pursuant to Section 1.1206(a)(1) of the Commission's rules, this letter, in duplicate, is to notify the Commission that representatives of PCS Development Corporation ("PCSD") made an oral <u>ex parte</u> presentation to the following persons: Jackie Chorney, Rudy Baca, David Siddall, and Suzanne Toller, in connection with the above-referenced matter.

Enclosed herewith is a written summary of the matters presented.

Kindly contact the undersigned, should the Commission have any questions in regard to this matter.

Very truly yours,

Boning

Enclosures

cc: Jackie Chorney

Rudy Baca David Siddall Suzanne Toller

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# Key Milestones

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# PCSD Position on NPCS Regulatory Environment

- Spectrum Allocation Rules
- Small Business Participation in Upcoming Auction
- "Post Adarand" D.E. Rules

## PCSD Supports the Original F.C.C. Proposal for NPCS Spectrum Allocation

- National, Regional, MTA, BTA mix.
- F.C.C. should maintain MTA/BTA's in upcoming NPCS auction.
  - Business plans based on rules.
  - Capital invested.
  - Allows carriers to optimize for individual needs.
  - PCSD intends to acquire additional spectrum capacity where needed.
  - Larger geographic licenses serve as barrier to entry.
  - F.C.C. auctions raise more net revenue with smaller geographic areas.
     (e.g. Broadband, A & B vs. C, Narrowband, National vs. Regional.)
- All public comment on this topic support PCSD's position.



# The F.C.C. Should Increase Small Business Participation by Allowing Preferences to Apply to All Licenses in NPCS Auction

- Bid credits were worthless in required NPCS, but real in 900 mhz SMR.
- Only difference between regional NPCS and 900 mhz SMR was ability to use credits on all licenses (900 mhz SMR credit was actually less than regional NPCS 10% vs. 40%.)
- Applying small business preferences to all licenses will increase small business participation and increase net revenues to the F.C.C.



# PCSD Requests Clarification that the Anticipated Narrowband D.E. Rules will Apply to All Narrowband Licensees

- Race and gender preferences were of no value. (AT&T paid \$80 million. PCSD paid \$90 million.)
- PCSD has met all D.E. rules including control group and small business status.
- Race and gender based D.E. status harms PCSD's ability to raise capital.
  - Increase regulatory risk factor.
  - Bond market required more equity.
  - Minority equity sources are not sufficient.
- Given "Post Adarand" rules, and assuming no transfer of control of PCSD licenses, PCSD requests clarification that new Narrowband rules apply to all Narrowband licensees.

